

# GOV AFFAIRS

## LOBBYISTS' UPDATE

### From the C2 Group

On March 10th, the House approved HR 3 (TEALU), a \$284 billion highways, transit and transportation safety measure by a vote of 417 to 9. The bill would authorize \$235 billion for highways and \$49 billion for transit for FY 2004-2009, including the amounts already made available for FY 2004 and 2005. It also preserves the funding guarantees and firewalls enacted in TEA-21.

House authorizers were able to agree on the "scope" of programs to be included under the minimum guarantee provisions, but due to the lack of resources, the amended bill did not increase the current 90.5 percent minimum proportion that states are guaranteed to receive of their contributions to the Highway Trust Fund.

On the other side of the Capitol, the Senate marked up the highway and transit titles of the reauthorization bill at the \$283.9-billion funding level proposed by the Administration and the House. In SAFETEA, the Senate bill, the obligation limitation is set at \$221.8 billion for six years. To address the donor-donee issues, the measure includes an "equity bonus" program guaranteeing donor states a 92 percent rate of return by FY2009. SAFETEA will likely come up for consideration on the Senate floor in late April, setting up a House/Senate conference in early May.

*Continued on the top of Page 2*

### SCAG LEGISLATIVE DAY IS MAY 18th

In an effort to continue enhancing our relationships with members of the California State Legislature, SCAG is planning a Legislative Day in Sacramento in May. The objective of this visit is to bring

*Continued on Page 2 Sidebar*

## GENERAL LEGISLATIVE MATTERS

### TEALU Approved by the House

As outlined in our federal lobbyist report, the U.S. House of Representatives approved TEALU, a \$284 billion highway, transit and transportation safety measure on March 10th. On March 16th, the Senate Environment and Public Works Committee reported its TEA-21 reauthorization bill, SAFETEA, with an overall funding level of \$283.9 billion through FY 2009. Additional titles from the Senate Finance Committee and the Senate Commerce, Science and Transportation Committee will be added to the bill when it goes to the Senate floor. Below is a summary of some of the key issues for SCAG.

One significant issue for SCAG is Metropolitan Planning Organization (MPO) planning funding (PL). TEALU maintains 1% PL takedown while SAFETEA increases PL funds to 1.5% and includes new highway safety and Equity Bonus. Under air quality, TEALU does not make any significant structural changes to the Congestion Mitigation and Air Quality Improvement (CMAQ) program. SAFETEA proposes to use a single weighting multiplier framework to determine CMAQ funds to areas with ozone pollution, regardless of the severity of that pollution. Southern California has traditionally

*Continued on the bottom of Page 2*

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**SEE OUR STATE LOBBYIST'S UPDATE ON PAGE 2**

**LEGISLATIVE  
DAY  
CONTINUED**

together Regional Council members with state legislators from throughout the SCAG region for the purposes of informing, educating, and soliciting support for SCAG positions. The tentative date upon RC approval is Wednesday, May 18th.

## **LOBBYISTS' UPDATE** *continued*

### **From Bauer Government Relations**

In Sacramento, legislative activity will increase significantly in April. Bills have now been in print for 30 days so the Legislature can begin to take action. Nearly every bill introduced this year will be heard in policy committees during the first two weeks of April. The Governor has thrown his support behind four ballot initiatives that have put him at odds with the democrat-controlled legislature. The four ballot initiatives deal with the following issues: a proposed reform of the public pension system; a proposed reform of the decennial reapportionment; merit pay for teachers; and a proposed balanced budget mechanism.

The initiative battle to date has largely taken place outside the halls of the Capitol. The Governor has set a May deadline to resolve these issues through negotiations with the legislative leadership before calling for a special election. The outcome of the ballot initiative negotiations will be a significant issue this year and will dramatically impact all other major issues facing the legislature.

The issues that most relate to SCAG including the efforts at housing reform and design build authority for transportation project delivery, remain under the radar at this time. If there is a long ballot campaign with a special election in the fall, it is unlikely these major policy issues will be resolved amicably this year.

SCAG leadership has been participating in on-going discussions with key stakeholder groups regarding housing element reform and design-build. The Administration is actively pursuing major policy reforms which will likely be contained in legislation to be unveiled in April and May. Secretary McPeak is currently convening working groups and holding listening sessions throughout the State and SCAG is participating in developing these policies.

## **GENERAL LEGISLATIVE MATTERS** *continued*

received a larger share of CMAQ funding due to severe air pollution problems. This proposed formula change would reduce the region's share of CMAQ funds. Additionally, the new ozone standard would expand the number of areas eligible for CMAQ funds, thereby further reducing the region's share of funds.

TEALU creates a new category of funding for High Priority Projects. California's earmarks for the highway program in the TEALU bill are about \$1.1 billion of the total earmarked for all states. SAFETEA does not include High Priority Projects. For Maglev, TEALU changes the method for securing funding from a freestanding appropriation to a directed set-aside from the National Highway System account. A total of \$15 million would be authorized for Maglev in 2004 and \$20 million in 2005 through 2009. SAFETEA authorizes Maglev spending at \$67 million in contract authority and \$1.9 billion in noncontract authority, and allows additional projects to be considered under the federal program. Contract authority requires the authorized amount to be obligated in the year it is assigned without going through appropriations and non-contract requires the authorized amounts to go through an appropriations cycle.

